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RV BUSINESS

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RENTALS
Can Dealers Profit As Demand Soars?

RV Seating '87

Dodger Show Preview

RV BUSINESS

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Robert Longsdorf Jr.
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ON THE COVER: Consumers are lining up to rent recreational vehicles. The surge in RV demand has already outstripped the available rental fleet. Can RV dealers tap that rental boom and transform rentals into sales? Our lead article attempts to answer that question, beginning on page 24. (Illustration: Curt Walstead)

Perspective

An analysis of RVB's monthly survey
of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	JULY 1986	JULY 1985	% CHANGE	1986	1985	% CHANGE	JULY 1986	JULY 1985	% CHANGE	1986	1985	% CHANGE
MOTORHOMES	120	119	+ 1	720	838	−14	112	103	+ 8	665	629	+ 6
TRAVEL TRAILERS	98	90	+ 8	701	641	+ 7	124	95	+31	641	557	+15
TRUCK CAMPERS	15	23	−35	115	121	− 5	11	11	same	75	86	−13
CAMPING TRAILERS	126	161	−22	844	928	− 9	39	53	−26	241	261	− 8
FIFTH-WHEELS	25	34	−18	174	194	−10	9	12	−25	56	66	−15

	FOR MONTH			YEAR-TO-DATE		
	JULY 1986	JULY 1985	% CHANGE	1986	1985	% CHANGE
SALES VOLUME	$9,397,266	$9,738,500	− 4	$61,348,038	$63,760,569	−4
TOTAL UNIT SALES	679	701	− 3	4,232	4,337	−2
NEW UNIT SALES	384	427	−10	2,554	2,738	−7
USED UNIT SALES	295	274	+ 8	1,678	1,599	+5

In July, the Dealer Advisory Board (DAB) was slightly behind July of 1985 in most categories. Totals for both sales volume and unit sales were off a few percentage points from the previous year. Dealers were about evenly divided between those who were up and those who were down from last July.

Although July's new-unit sales total is slightly down, the decline is due primarily to a distinct plunge in camping trailer sales. Travel trailers and motorhomes are actually up for the month.

Year-to-date, only travel trailers show a plus figure in new-unit sales for the DAB. The figure is small, but, overall, new units were down.

Profits on new-unit sales tended to be a bit weaker than normal, no doubt due to concern with inventory reduction at the approaching end of the summer selling season. There were more ratings in the fair and poor columns than in the excellent and good.

Used sales are the brightest spot in this month's report—up both for the month and for the year-to-date—the only categories to have that distinction. Also, profits on used RVs remain quite good with most DAB members calling them excellent or good. Inventories are high for about 25 percent of the reporters, but the other three-quarters say they are average or low.

Common complaints are that traffic on the sales lot is low, and new buyers are not plentiful.

The DAB members distributed their bottom-line ratings evenly among the four rating categories. There was no distinct profit trend during July.

MOTORHOMES

Most motorhome dealers had a July much like that of last year. New-unit sales were up by only one unit, but the plus factor is a welcome indication that, on the average, DAB members are holding their own. DAB figures are clear proof that the demand for used motorhomes continues strong.

Profits on new units were quite varied, but the good column received the most votes. Used units brought excellent to good profits.

TRAVEL TRAILERS

DAB trailer dealers are doing better this year than last. It is the only category to receive four pluses (two for the month—new and used—and two for those classifications year-to-date).

Profits were quite varied with a slant toward the low end. Four reporters labeled them poor. Used units, however, held up nicely.

TRUCK CAMPERS

Only the camper specialist on the DAB had new-unit sales to report in July, whereas last year there were six. We have no explanation to offer for the lack of sales with the other five dealers.

New-unit profits were rated excellent.

CAMPING TRAILERS

Generally, DAB dealers with fold-downs aren't having as successful a year as they did in 1985. The drop in both new and used sales in July was considerable, although the year-to-date losses aren't great.

Camping trailers are, without doubt, the most unpredictable type of RVs: Dealers take them on, then drop them; praise them, then cuss them. Sales are great, then they flop. Profits are tremendous; profits are zilch. Perhaps there are some marketing lessons that have yet to be learned for steady success with this type of RV.

FIFTH-WHEELS

Along with camping trailers, fifth-wheel dealers are having some problems this year. Down in all four classifications for the DAB in general, the larger fifth-wheel specialists appear to be having even more difficulty in maintaining last year's pace.

Profits have suffered, too, in this category that traditionally has been a good money-maker. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 21 dealers representing a cross-section of the U.S. dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

RVIA, JULY

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during July 1986 was 32,300 units, down 8.1% from July 1985.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in July 1986		July 1985	Percent Change	Cumulative 1986	Cumulative 1985	Percent Change
TRAVEL TRAILERS	4,900	4,600	+ 6.5%	36,800	37,600	− 2.1%
PARK MODELS	500	500	0%	4,400	4,400	0%
FIFTH-WHEELS	1,900	1,600	+18.8%	13,900	12,700	+ 9.5%
TRUCK CAMPERS	700	500	+40.0%	4,700	4,600	+ 2.2%
MULTI-USE VEHICLES (Van Conversions)	16,000	15,100	+ 6.0%	117,800	103,600	+13.7%
TYPE A: MOTOR-HOMES	2,700	2,300	+17.4%	19,500	21,300	− 8.5%
TYPE B: VAN CAMPERS	500	900	−44.4%	3,800	4,800	−20.8%
TYPE C: MINI MOTOR-HOMES	2,300	1,900	+21.1%	17,200	18,900	− 9.0%
FOLDING CAMPING TRAILERS	2,800	2,500	+12.0%	22,000	23,100	− 4.8%
TOTALS	32,300	29,900	+ 8.1%	240,100	231,000	+ 3.9%